

8 Eligibility For ISO Services

In order to participate in any ISO-Administered Market or to be a Primary Holder of a TCC, a Customer must satisfy the applicable requirements of this Article 8 and Attachment K to this Services Tariff, including the minimum participation criteria set forth in Section 26.1 of Attachment K.

8.1 Requirements Common to all Customers

8.1.1 Creditworthiness

All Customers and applicants seeking to become a Customer shall be subject to the creditworthiness requirements contained in Attachment K to this Services Tariff, including the minimum participation criteria set forth in Section 26.1 of Attachment K.

8.1.2 Completed Application and Minimum Technical Requirements

A Customer shall submit a Completed Application in accordance with Article 9 and shall receive ISO approval prior to obtaining any services under the ISO Services Tariff. A Customer also shall demonstrate to the ISO's reasonable satisfaction that it is capable of performing all functions required by the ISO Services Tariff including operational communications, financial and Settlement requirements.

8.1.3 Additional Eligibility Requirements for all Customers

All Customers and applicants seeking to become a Customer shall at all times be:

- (a) an "appropriate person," as defined in sections 4(c)(3)(A) through (J) of the Commodity Exchange Act; or
- (b) an "eligible contract participant," as defined in section 1a(18)(A) of the Commodity Exchange Act and in 17 CFR 1.3(m); or

- (c) a “person who actively participates in the generation, transmission, or distribution of electric energy,” as defined in paragraph 5(g) of the Final Order of the Commodity Futures Trading Commission at 78 FR 19879.

Each Customer must demonstrate compliance with the requirements of this Section 8.1.3 by submitting to the ISO on or before September 15, 2013 an officer’s certificate, in a form acceptable to the ISO, that (i) certifies under penalty of perjury that the Customer is now and will remain in compliance with this requirement, (ii) further certifies that if it no longer satisfies this requirement it shall immediately notify the ISO and immediately cease all participation in the ISO-Administered Markets; (iii) is signed by an authorized officer of Customer, and (iv) is notarized.

Each applicant seeking to become a Customer must demonstrate compliance with the requirements of this Section 8.1.3 by submitting to the ISO with its Completed Application an officer’s certificate, in a form acceptable to the ISO, that (i) certifies under penalty of perjury that the applicant is now and will remain in compliance with this requirement, (ii) further certifies that if it no longer satisfies this requirement it shall immediately notify the ISO and cease all participation in the ISO-Administered Markets (iii) is signed by an authorized officer of applicant, and (iv) is notarized.

In the event a Customer or applicant seeking to become a Customer experiences a change that results in the Customer or applicant no longer satisfying the requirements of this Section 8.1.3, the Customer or applicant shall immediately notify the ISO of this change, and the Customer shall immediately cease all participation in the ISO-Administered Markets.

8.2 Additional Requirements Applicable to Suppliers

In addition to the requirements set forth in Section 8.1 above, Suppliers shall satisfy the communication requirements of Article 4 and the metering requirements of Article 13 prior to entering into a Transaction with the ISO.

8.3 Additional Requirements Applicable to LSEs

In addition to the requirements set forth in Section 8.1 above, each LSE shall satisfy the following requirements prior to taking services under the Tariff:

- 8.3.1** All requirements and conditions contained within an approved retail access plan in the service territory of the Transmission Owner in which the LSE's Load is located, which retail access plan has been approved by the PSC or other appropriate authority or, in the case of the LIPA, has been approved by the Trustees of the Long Island Power Authority.
- 8.3.2** All New York State application and license requirements, and any other authorization required by New York State to serve retail Load; and
- 8.3.3** The LSE must be: (a) aggregating or serving Load that is of an amount greater than or equal to one (1) MW in each hour as measured between a single Point of Injection and a single Point of Withdrawal; or (b) making purchases from the ISO Administered Markets at a single bus of an amount greater than or equal to one (1) MW in each hour.

8.4 Eligibility to Obtain Services Under This Tariff In Response To Sales Tax Issues

- 8.4.1** In addition to any other requirements set forth in this Tariff, every Customer and every agent of a Customer ("Agent") seeking to purchase any services under this Tariff shall supply to the ISO and have on file with the ISO at the time the

Customer or Agent commences such purchases the following:

- 8.4.1.1 If the Customer is registered or required to be registered with the New York State Department of Taxation and Finance under Articles 28 and 29 of the New York State Tax Law, or, if the Customer is a non-New York State purchaser, a valid, properly completed New York State exemption document, for example, without limitation, a Resale Certificate, an exempt organization certificate, an exempt purchase certificate or a direct pay permit, issued in accordance with New York State Tax Law; or in the case of a Customer that is a non-New York State purchaser, a written statement of such Customer, sworn to or affirmed under penalties of perjury by the principal executive officer of such Customer, stating its name and address and certifying that the Customer is a non-New York State purchaser, that is not registered or required to be registered with the New York State Department of Taxation and Finance under Articles 28 and 29 of the New York State Tax Law and is not qualified for any New York State Exemption Document, that it makes no purchase of electricity or other tangible personal property or services in markets administered by the ISO for resale or for its own use in New York State and that it makes no retail sales of electricity or other tangible personal property or services in New York State; or
- 8.4.1.2 If the Customer is not required to register, and is not registered, for sales and compensating use tax purposes under Articles 28 and 29 of the New York State Tax Law, and is not a Customer described in paragraph (A)(3) of this Section 8.4, a valid, properly completed exempt organization certificate issued in accordance with New York State Tax Law; or

- 8.4.1.3 If the Customer is an entity described in paragraphs one, two or three of subdivision (a) of Section 1116 of the New York State Tax Law, evidence satisfactory under such law that it is such an entity and it is not subject to New York State and local sales and compensating use taxes on its purchases of services under this Tariff; or
- 8.4.1.4 If the person or entity seeking to make a purchase under this Tariff is an Agent, (a) the appropriate documents described above that its principal would be required to supply and have on file with the ISO if it were making the purchase directly and (b) evidence satisfactory under the New York State Tax Law to establish that person's or entity's status as Agent.
- 8.4.2 Customer's change in status.
- 8.4.2.1 If a Customer's certificate of authority issued under Articles 28 and 29 of the New York State Tax Law is revoked, suspended, cancelled, surrendered or otherwise terminated or expires or,
- 8.4.2.2 If a Customer's status as an exempt organization under New York State Tax Law is revoked, suspended, cancelled, surrendered or otherwise terminated or expires, or,
- 8.4.2.3 If a Customer is no longer eligible to rely on the exemption document, exempt organization certificate or other satisfactory evidence it furnished to the ISO, that Customer shall immediately notify the ISO of its change in status and shall furnish to the ISO all other information the ISO may require to enable it to comply with its obligations under this Tariff and New York State Tax Law.
- 8.4.3 Agent's change in status.

8.4.3.1 If an Agent's certificate of authority issued under Articles 28 and 29 of the New York State Tax Law is revoked, suspended, cancelled, surrendered or otherwise terminated or expires or,

8.4.3.2 If an Agent's relationship with a Customer is revoked, suspended, cancelled, surrendered or otherwise terminated or expires, that Agent or former Agent shall immediately notify the ISO of its change in status and shall furnish to the ISO all other information the ISO may require to enable that Agent to comply with its obligations under this Tariff and New York State Tax Law.

8.4.4 Regardless of whether a Customer or its Agent or former Agent notifies the ISO of any change in status, as described in Sections 8.4.2 and 8.4.3 of this Tariff, of either the Customer or of the Agent or former Agent, a change in status, as described in Sections 8.4.2 and 8.4.3 of this Tariff, shall, from the time of its occurrence, be a Default under Section 7.5 of this Tariff and the Customer or Agent, as the case may be, as a Defaulting Party, shall, from the time of that change in status, be required to pay any State and local sales taxes lawfully imposed on its purchases. A Defaulting Party shall have ten days from its change in status to cure the Default and to notify the ISO that it has so cured the Default. Regardless of whether the ISO has notice of any change in status from the affected Customer, Agent or from a third party, such as the New York State Commissioner of Taxation and Finance, as of the date of Default, the Customer or its Agent on the Customer's behalf shall continue to be allowed to purchase services under this Tariff for ten days from the time that the ISO has actual notice of a change in status.

- 8.4.5 Immediately upon the ISO receiving notice from a Customer or its Agent described in Sections 8.4.2 and 8.4.3 of this Tariff, or immediately upon learning that a Customer's or its Agent's status has changed as described in Sections 8.4.2 and 8.4.3 of this Tariff, the ISO shall notify the New York State Commissioner of Taxation and Finance of the name, address and federal identifying number of the Customer, and of any Agent of such a Customer, and of the change of status; and the ISO shall keep records of the type, quantity, price, etc. of services any such Customer purchases, or has purchased on its behalf by any Agent, after a change in status; and the ISO shall furnish such information to the Commissioner of Taxation and Finance in such form as the Commissioner requests.
- 8.4.6 If a Defaulting Party has not cured its Default prior to the expiration of the ten day period described in Section 8.4.4 of this Tariff, in addition to any and all other remedies available under this Tariff or pursuant to law or in equity, the ISO shall have the right to suspend and/or terminate the Defaulting Party's Service Agreement immediately upon notice to the Commission.